

## Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00

CIEP-02 COME-00 DODE-00 FEA-02 FPC-01 H-03 INR-10

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SP-03 SS-20 STR-08 TRSY-11 PA-04 PRS-01 USIA-15

DRC-01 /176 W

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R 221831Z APR 74

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 3477

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E.O. 11652: N/A

TAGS: ENRG, VE

SUBJECT: CONTINUED INTEREST IN DEVELOPING NEW RESERVES

1. SUMMARY: VENEZUELA, DESPITE ITS CURRENT EXCESS OF FISCAL REVENUES, CONTINUES TO SHOW INTEREST IN DEVELOPING NEW OIL RESERVES FOR FUTURE. PLANS FOR EVENTUAL DEVELOPMENT OF ORINOCO PETROLEUM BELT, AND STEPS NOW BEING TAKEN TO PREPARE A WAY FOR SUCH A PROGRAM, CONTINUE TO BE FREQUENT SUBJECT OF COMMENT BY SPOKESMEN OF MINISTRY OF MINES AND HYDROCARBONS. END SUMMARY

2. MINISTRY OF MINES AND HYDROCARBONS ANNOUNCED APRIL 20 THAT IT HAS NOW COMPLETED 54 PERCENT OF ITS PROGRAM OF SEISMOGRAPHIC STUDIES OF

ORINOCO BELT. TOTAL PROGRAM INVOLVES 10,400 KILOMETERS OF SEISMIC LINES. CVP IS ALSO PROCEEDING WITH ITS OWN PROGRAM OF 4,800 KILOMETERS OF DETAILED SEISMIC WORK IN VARIOUS ZONES OF ORINOCO BELT.

3. THIRTY-TWO STRATIGRAPHIC WELLS WILL BE DRILLED IN ORINOCO BELT BEGINNING IN MAY OF THIS YEAR, ACCORDING TO MINISTRY'S ANNOUNCE-  
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MENT. THESE WILL COMPLEMENT SIXTEEN STRATIGRAPHIC WELLS DRILLED

DURING 1973, WHICH SHOWED "ACCUMULATIONS OF OIL SUBSTANTIALLY GREATER THAN PREVIOUSLY ESTIMATED," ACCORDING TO HYDROCARBONS MINISTER VALENTINE HERNANDEZ. OIL DISCOVERED WAS BETWEEN 8 DEGREES AND 11 DEGREES API.

4. MEANWHILE WORK IS PROCEEDING TO DEVELOP POSSIBLE NEW RESERVES IN OTHER AREAS. STATE OIL COMPANY (CVP) IS DRILLING ITS NINTH WELL IN THE OFFSHORE CONTINENTAL SHELF IN AREA OF "GULF OF VELA." OF THE EIGHT WELLS DRILLED IN THAT AREA IN 1973, FOUR WERE DRY AND AT LEAST TWO SHOWED EVIDENCE OF SOME PETROLEUM DEPOSITS. CVP PLANS FOUR MORE WELLS IN THE GULF OF VELA AS PART OF ITS PROGRAM TO DETERMINE WHETHER DEPOSITS THERE ARE COMMERCIAL IN SCOPE. MAJOR PROBLEM ENCOUNTERED SO FAR IS VERY HIGH PROPORTION OF NATURAL GAS TO OIL.

5. IN SERVICE CONTRACT AREA OF SOUTH LAKE MARACAIBO, OCCIDENTAL AND MOBIL CONTINUE TO BE ENGAGED IN DRILLING PROGRAM TO DETERMINE WHETHER DEPOSITS DISCOVERED THERE ARE "COMMERCIAL." OCCIDENTAL IS DRILLING ITS FOURTH, FIFTH AND SIXTH WELLS IN BLOCK E. MOBIL IS DRILLING ITS FIFTH WELL OF SEVEN PLANNED FOR BLOCK C. ITS FIRST THREE WELLS WERE DRY AND FOURTH SHOWED SUBSTANTIAL FLOW (5,400 B/D) OF LIGHT OIL (43 DEGREES) BUT AT VERY DEEP LEVEL. GIVEN THE DEPTH OF OIL DEPOSITS IN SOUTH LAKE A SUBSTANTIAL RESERVE WILL HAVE TO BE PROVED UP BEFORE COMMERCIAL PRODUCTION WOULD BE FEASIBLE.  
MCCLINTOCK

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EXPLORATION, PETROLEUM RESERVES, SEISMIC DATA  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 22 APR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974CARACA03466  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740094-0427  
**From:** CARACAS  
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**Line Count:** 87  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 SEP 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <23 SEP 2002 by boyleja>; APPROVED <05 FEB 2003 by GolinoFR>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CONTINUED INTEREST IN DEVELOPING NEW RESERVES  
**TAGS:** ENRG, VE  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005